

FINANCING WAR OF INDEPENDENCE

Total Cost of the Revolution
Has Been Estimated
at \$80,000,000

BILLS OF CREDIT
PROVED UNSOUND

Domestic Loans Were More
Successful—Our Foreign Loans

Washington, Aug. 14.—At a time when Americans are thinking in war terms of billions of dollars which must be raised by domestic loans and taxation it is interesting to examine the methods employed to finance the first American war—the War of Independence.

The total cost of the Revolution, not including the expenditures of the individual states, has been estimated at about \$80,000,000, a good deal less than one day's cost of the present war. The sum is truly insignificant as compared with the \$24,000,000,000 which will be required to finance America's share of the present world war during the coming year.

The 13 colonies were certainly as unprepared to strike a decisive blow for freedom as any country possibly could be, and the people, handicapped themselves at the very outset, by denying to Congress the power of levying and collecting taxes which would have facilitated the raising of war revenue.

The colonials could not bring themselves to the point of giving what they considered too much power to a limited group of men representing centralized government, and while the Congress could enact legislation for an army and navy, it could do no more than make suggestions to the various states regarding the manner in which these fighting forces were to be maintained. As a result, there was a great amount of governmental confusion, and while at least three systems of raising revenue were suggested, there was no definite plan as to the way in which these methods were to be adjusted to another.

Greatest reliance was placed at first upon the issue of bills of credit; some foreign loans were negotiated; domestic loans were made and a nominal sum was realized through taxes levied by the states. The bills of credit, however, rested upon what proved to be an unsound basis.

Within a week after the battle of Bunker Hill, authority was given for an issue of \$2,000,000 in credit bills, and the amount to be redeemed between 1779 and 1782 was carefully apportioned among the colonies. Other issues followed, the total issue being about \$241,553,750, but at no time was that amount in circulation and seldom was it acceptable at face value. In 1779 depreciation became very marked and from January to May of that year, the value of the bills varied from 20 to 1 to 38½ to 1.

The domestic loans were more successful, although, with the exception of one small loan for the purchase of gun powder in June, 1775, these were not authorized until October, 1776, nearly a year and a half after the beginning of the Revolution. The failure of the bills of credit and the paucity of the revenue being secured through taxation, led Congress to authorize the borrowing of \$5,000,000 at the rate of 4 per cent. The lenders received indented certificates which may rightfully be considered the forerunners of the Liberty bonds. It was found necessary at a later period to raise the interest rate to 6 per cent, but through four loans the amount realized was only \$3,787,000. In September, 1777, the American envoys secured the first loan from France, and that resulted in such a stimulation of the domestic loans, that from that time until the loan offices were closed, \$7,984,000 in specie was subscribed.

The foreign loans obtained by the struggling colonies during their war for independence are particularly interesting at the present time when the United States is making such tremendous loans to the various allied countries. Through Benjamin Franklin, Gouverneur Morris and others funds were obtained either in loans or subsidies from the governments of France and Spain and from private bankers in Holland. France granted subsidies of 2,000,000 livres in 1777 and 6,000,000 livres in 1781. In all, these sums, which may be regarded as gifts, amounted to \$1,996,500.

The United States borrowed from



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When you think what a source of annoyance and suffering that eczema has been to me in the past three years, do you wonder I am thankful that the doctor prescribed Resinol? The very first time I used it, the itching stopped and in a surprisingly short time the eruption began to disappear.

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France between 1777 and 1783 the total sum of \$6,352,500, while Holland loaned the struggling nation \$1,304,000 and Spain furnished \$174,117—a total of \$7,830,617. Nor must it be forgotten that France spent at least \$6,000,000 on the army which she sent to the aid of the colonies.

At the beginning of 1784—10 years after the Declaration of Independence—the indebtedness of the national government was \$39,323,886. This was divided as follows: Foreign, \$7,331,886; domestic loan certificates, \$1,585,000; unliquidated certificates of indebtedness, \$16,708,000; arrears of interest on domestic debt, \$3,109,000. These figures are trivial as compared to those representing the war debt of today, but this indebtedness weighed far more heavily upon the people of that time than the tremendous expenditure of the present does upon the American public to-day.

It was no small matter for the colonials and their descendants to so shape the machinery of the government that results could be obtained smoothly and efficiently. There were many ups and downs, successes and failures, but the foundation laid in those trying times is the foundation upon which the American financial system rests at the present time, and it is because of the solidity of that foundation that the United States has been enabled to take such an important part in the world struggle for democracy.

AMERICA'S MISSION TO TRADES UNION

Samuel Gompers in Delegation Going to Attend British Trades Union Congress.

Washington, Aug. 14.—America's mission to the British Trades Union congress, which meets in London Sept. 17, 18 and 19, will be headed by Samuel Gompers, president of the American Federation of Labor, and will tour England, France and Italy to confer with local leaders and inspect labor conditions.

Mr. Gompers left Washington to-day for New York for a series of conferences there before sailing. He will be accompanied abroad by William J. Bowen, president of the International Bricklayers & Plasterers' union; Edgar Wallace, editor of the United Mine Workers' Journal, and C. L. Paine, president of the International Boot & Shoe Workers' union.

Mr. Gompers said the principal object in going to Europe was to attend the congress in London, but that many questions vital to labor and the war in France and Italy would occupy a large part of their attention. Socialism, he declared, would occupy no part in deliberations of the American delegates. He added there would be no Socialist representation, denying reports from London that the congress would be a joint labor and Socialist affair.

MERCY AS WELL AS DISCIPLINE

What They Did to Youth Who Deserted to Support Family.

Ayer, Mass., Aug. 14.—How army discipline was satisfied in trying the case of a 16-year-old soldier who deserted in order to support his mother and two little brothers, came to light at Camp Devens Monday. Two days after Russell R. Vaughan enlisted in the 42d infantry at Council Bluffs, Ia., last August at the age of 16, he received word from his mother that his father was incapacitated for work and she and the children were dependent on charity. Without applying for leave, Vaughan went home and for six months supported the family. On the day his father was able to resume work Russell gave himself up to the military authorities at Fort Omaha.

The case was so plainly against the boy when he was court-martialed for desertion that the court was obliged to sentence him to three years at hard labor, forfeiture of pay and allowances and dishonorable discharge. Major Barrett O'Hara, former lieutenant governor of Illinois, now judge advocate at Camp Devens, where the regiment had been transferred in the meantime, recommended clemency. The sentence thereupon was mitigated to six months at hard labor by Colonel George L. Byrde, commandant at the camp. With all the requirements of strict army discipline fulfilled, Colonel Byrde in his next breath suspended the mitigated sentence and restored the boy to his place in his company.

RABBITS SOURCE OF REVENUE.

Once a Curse in Australia, Now Helping Win the War.

Washington, D. C., Aug. 14.—Rabbits which were once the curse of Australia, as they have been to a lesser extent in the southwestern United States, now are providing a profitable source of revenue and at the same time are helping to win the war by increasing the food supply.

Official dispatches received here said the British board of trade has ordered 600,000 crates of skinned rabbits, which will require the killing of 21,000,000 rabbits, weighing 36,000,000 pounds after dressing. Previously the rabbits were shipped with the skins on, but inconvenience was experienced at hospitals in England in removing the fur.

How to dispose of the skins is causing the Australians speculation. There is a ready market for them in this country, but tannage is scarce.

5 CANADIANS GET 100 GERMANS

Lost in a Dense Fog, They Stumbled on German Trench

CORPORAL GAVE ORDER TO FIRE

And Over 100 Germans Came Out and Surrendered

With the Canadian Forces in Picardy, Tuesday, Aug. 13 (By Canadian Press). During the opening days of the present offensive five members of a well known Canadian battalion captured more than 100 Germans. In a dense fog early one morning the party became lost and in groping their way about came suddenly upon a fully manned German trench. A corporal in the party gave the order to fire. This show of force brought more than 100 Germans, one after another, tumbling out of the trench to surrender. The five men then marched the Germans to the rear.

The Canadian contingent takes pride in having established a record three-day advance of 22,000 yards.

When the tanks went into action on the Canadian part of the front a pipe of a Manitoba unit sat astride the tank "Dominion." He came through unscathed, skirling his pipe all the while. Another Canadian pipe was killed leading his battalion into action.

IN CIVIL WAR TIMES.

What the Federal States Endured to Establish Human Freedom.

The outbreak of the Civil war in our country paralyzed not only trade but finances and all other life as well. The practical repudiation of commercial debts due the North by the South brought disaster and bankruptcy. "Trade sank to zero," said the New York Tribune. "As indicative of the difficulties encountered by those responsible for raising money wherewith to carry on the war, we note the fact that on Saturday, Dec. 28, 1861, the managers of the New York banks decided that they must suspend specie payments. Some men of wealth are said to have transferred their property to Europe. But as showing how the cause of the country lay at the heart of the people generally, three notable quotations are here given from the third volume of "Rhodes' History."

As Gray wrote, Oct. 4: "My wife and I have scraped up \$550, all we can scrape, and lent it to the United States"; James Russell Lowell wrote to a friend: "I had a little Italian bluster of brushwood fire yesterday morning, but the times are too hard with me to allow of such extravagance. The horror of my tax bill has so infected my imagination that I see myself and all my friends begging entrance to the P. H.—'poor house'! Jan. 1, 1862, Emerson found himself in as poor a plight as the rest of the Americans. 'Not a penny from my books since last June, which usually yield five or six hundred a year. No dividends from banks or — property. Income from lectures has quite ceased, and how to pay three or four hundred dollars with fifty'."

He tried to sell a wood lot, but found no purchaser. He speaks of rivals in distress and economy, and then concludes: "But far better that this grinding should go on bad and worse, than we be driven by any impatience into a hasty peace or any peace restoring the old rottenness." In so saying, Emerson spoke the sentiments of our people in that time of need.

It may be of interest to our readers to recall the scheme of taxation which became a law July 1, 1862. It was an act so comprehensive and searching as to remind several writers of Sydney Smith's humorous and famous account of British taxation in 1820 (Vide "Edinburgh Review," January, 1820). Under this act, distillers of spirits, brewers of ale, beer and porter, all manufacturers, wholesalers and retail dealers, men in all kinds of business and professions were required to pay for licenses. A duty of 20 cents per gallon was imposed on spirits, \$1 per barrel on malt liquors, and heavy duties on tobacco and cigars.

Many products and nearly all manufactures and articles were taxed—carriages, yachts, billiard tables, plate, slaughtered cattle, hogs and sheep, railroad bonds, passports, legacies and distributive shares of personal property. A duty of 3 per cent was laid on the gross receipts of railroads, steamboats and toll bridges, on dividends of banks, savings institutions, trust and insurance companies, on the gross receipts from advertisements in newspapers and on the salaries and pay of officers and persons in the service of the United States above an exemption of \$800. A tax of 3 per cent was imposed on incomes less than \$10,000, and of 5 per cent on incomes over \$10,000, with an exemption of \$800.

Stamp duties were imposed upon every species of paper used to represent or transfer property, on medicines or preparations, on perfumery, on cosmetics and playing cards. Many details are here omitted, but those given are interesting as compared with the taxes imposed at the present time. In March, 1863, the conscription act was approved, operating directly on the people of the nation instead of through the states. Just now, when changes are being made in the provisions of the selective draft it is interesting to recall that under the conscription act of 1863 "all able-bodied male citizens of the United States between the ages of 20 and 45 years and foreigners intending to become citizens" were subject to military duty and to enrollment. Provision was made for certain exemptions and for favorable regard of married men. Any drafted person could furnish a substitute or pay \$300 to the government as an exemption! One wonders how that last and most undemocratic provision of the conscription act ever got enacted. It was both unjust and foolish, and worked measureless mischief.

By the tax act of 1862, distilled spirits paid 20 cents per gallon. But in January, 1864, in accordance with recommendations of the commissioner of internal revenue, a bill was introduced raising this tax to 60 cents. Various amendments to this bill were offered, and a long and fierce debate ensued over taxing whiskey on hand. By the act approved in June, 1864, the tax on spirits was made \$1.50 per gallon, and \$2 was to be imposed on and after Feb. 1, 1865. At the same time the income tax was raised, as follows: 5 per cent on incomes over \$800 and less than \$3,000; 7½ per cent on incomes between \$3,000 and \$10,000; and 10 per cent on the excess over \$10,000.—Harford Courant.

YOUR SON'S LIFE OR A NEW SUIT

What It Means if 105,000,000 People Refuse to Economize on Clothing

NATION HURT IN MANY WAYS

One of Numerous Cases in Point Vividly Illustrates the Vital Necessity

By PAUL M. WARBURG, Vice Governor of the Federal Reserve Board.

I am one of one hundred and five million of inhabitants of the United States; my duties are the same as those of every other true American, and those of every other true American are the same as mine. Whatever I contribute to the cause of the country, I may expect to see done—each in his own way—by 105,000,000 people.

Let us suppose for the purpose of illustration that I decide that I shall effect a saving on clothes. I might select boots, automobiles, umbrellas, or any other article for which I regularly spend my money, as I have no desire to single out any one commodity, but clothes lend themselves to my thought, so I name them. If I make up my mind, then, at this juncture that to wear old clothes is more respectable than to be seen in new ones; if I decide to buy one new suit of clothes less than I usually purchase each year, and if I figure that suit to cost no more than \$10—the country as a whole, should we all pull together and act on the same lines, would save thereby over one billion dollars. It is true that in dealing with our 105,000,000 population we include children and many poor people that could not save ten dollars each because they never spend more for clothes than they absolutely must. But on the other hand \$10 is a much smaller amount than the average man or woman spends for a new suit of clothes. The assumption that a billion dollars could easily be saved on clothes may, therefore, be accepted as conservative.

The first thought that occurs to us in this connection is, that by this saving in clothes over one billion dollars would be freed to be invested in Liberty loan bonds. That is the first important and most obvious result. But there are other economic results involved in this saving that are of far greater importance than the mere saving of money.

Economic Results Are Vast.

Let us consider first what one billion dollars' worth of clothes means. Suppose they were half-wool and half-cotton and that the value of the raw material constituted only 50 per cent of the price paid by the ultimate consumer, that would, at the present price of 60 cents per pound for wool and 30 cents per pound for cotton respectively, represent 208,334 tons of wool and 416,667 tons of cotton. Can you imagine how much freight space would be required on water and on land, in moving this mass of raw material? Do you realize that if these bales were put into freight cars, assuming a loading capacity of 16 tons per car for wool and 13 tons per car for cotton, this would represent 13,021 box cars loaded with wool and 32,056 box cars loaded with cotton? Assuming 75 cars per train, there would be about 600 trains; the total length of these trains would be approximately 314 miles, and these trains, hauled by 600 engines, when standing in line would approximately cover the distance from Baltimore to Pittsburgh? Can you imagine the amount of coal consumed in first transporting and then weaving this raw material into cloth? Can you imagine the number of hands employed in these processes? And then consider that more coal, more labor and more transportation are required in distributing the cloth and again more labor and more material in converting it into clothes, and again more labor and transportation in retailing the finished product to the final consumer.

Let us be mindful that all the time these processes are being carried on Uncle Sam is short of the men necessary to dispatch his war work, and furthermore that shortage of coal and the clogging of the wheels of transportation have stopped his progress at most critical moments and in the present emergency continue to remain a constant menace to the country.

May Cost Your Son's Life.

My new suit of clothes means, therefore, delay for our military operations; delay in transporting and equipping men, and in sending to them, and to our 'tes, the supplies they need;

ARMY DOCTORS SAY: RADWAY'S READY RELIEF Better Than ALL OTHER PAIN REMEDIES

A LETTER from Dr. Simpson of the Anderson Zouaves, N. Y. (62d Regt.), says: "During the time our regiment was stationed on Riker's Island we were out of medical stores. I obtained some of RADWAY'S READY RELIEF and used it with greater success in the treatment of Bowel Complaint, Colds, Rheumatism, Chills, Pains, Aches and Soreness of the limbs than all other remedial agents."

This letter was also approved by Col. Riker, Lieut. Col. Tidale and Gen. Oscar V. Dayton of the same regiment.

Get out this ad and send with name and address for this FREE SAMPLE BOTTLE of RADWAY'S READY RELIEF, N. Y. For sale at all druggists, 25c, 50c, \$1.00.

means increased losses and a longer duration of the war. My new suit of clothes may cost, therefore, the life of my son.

The supply of goods, of labor and of transportation is limited. It is a matter of common agreement that this limited supply is not sufficient freely to satisfy all wants and that unrestricted attempts on the part of each individual to satisfy his own requirements may lead to a wild scramble and destructive competition with the government, resulting in fatal delay and endless increase in prices.

The loss of bread available for our selves and for our allies is not large enough to "go around" if we all want to eat more than is absolutely necessary for our maintenance. It is every body's duty, therefore, at this time to "tighten his belt" and to make a genuine effort to live on as thin a slice of the loaf as he can. Unless that be done we must buy additional food in neutral countries, thereby using tonnage that should be kept available for our military operations and increasing our difficulties in adjusting our trade balances with neutral countries.

Hurts Uncle Sam in Many Ways.

To return to our story of the suit of clothes: During last year the United States had to import 421,000,000 pounds of wool representing a value of about \$172,000,000. About half of this came from Argentina. Our suits of clothes called for a substantial portion of this wool and therefore to that extent robbed Uncle Sam of the use of his ships. Moreover, our factories being busy in producing the things required for the prosecution of the war and our home consumption still proceeding at almost top speed, the quantity of goods available for shipment to Argentina in payment for the wool (or for that matter to Chile for nitrates, to Peru for copper, and so on), is insufficient. As a consequence the United States had to pay for more goods in South America than South America has had to pay for goods bought in the United States, thereby causing a decline of dollar exchange in these neutral countries. This shrinkage in the price of the dollar means that it has lost a corresponding part of its purchasing power in neutral countries.

The scarcity of goods available for our export trade has thus become a serious obstacle in our way in trying to secure at reasonable prices or in adequate quantities some of the things that we absolutely require from foreign countries.

My suit of clothes has hurt Uncle Sam, therefore, in several ways: I have consumed more wool than necessary and thereby forced the United States to import a correspondingly large quantity of this article; I have consumed more cotton goods than necessary and to that extent have deprived Uncle Sam of the means with which to pay for the minimum of wool which we may have to import.

Clothing But One of Many.

I have used the illustration of a new suit of clothes; it would be easy, though somewhat tedious, to show that we have been dealing only with one case in point. The country is short at this time of hides and skins and has to import large quantities from neutral countries because we are extravagant in our individual purchases of shoes. Similarly, though we are the largest producers of copper, we are forced to import copper from Peru because our civilian population has not begun sufficiently to curtail its use. In like manner we might ask ourselves is it at all excusable that at this time we still manufacture such articles as silk stockings, when every thread of silk must be imported, while we could use our own cotton?

It is impossible and unnecessary to enumerate the many articles that are in a similar position. Many billions of dollars can easily be saved when

once we are capable of realizing the cumulative effect of individual "saving," take the word "saving" in its larger meaning, as involving not only money, but also goods and services. If every individual could be made to see with his own eyes that neglect of saving of this sort means decreased war efficiency, a propaganda of the war; if every one who has a son or dear relative on the fighting lines across the water could be made to feel that millions of small savings directly affect his boy—there would be no doubt that we could secure the most conscientious and enthusiastic cooperation of all the people. Thus far—we must say with regret—of 105,000,000 people, 100,000,000 do not see the connection between the suit of clothes and the life of the boy.

Germany's Enforced Economy.

Germany's military success is largely predicated upon her ability to center the entire national effort upon the business of war. It is safe to say that she never would have been able to bear the burdens of the fight as well as she has during these four long years had it not been for the enforced savings in material, money and men brought about through the British blockade. If it had not been for the stern necessities created by that blockade the German people would not have been willing to submit to famine rations as to food, clothes, shoes and other similar articles. Industries catering to the appetites and extravagances of the masses would have kept men and material from the government instead of making everything available for the war work of the government, and financially she would have exhausted herself by buying things abroad that she could go without or for which she had to strain her ingenuity in finding or creating substitutes.

It is difficult to bring about drastic economy without the compulsion exercised by hard necessity. For us the problem is whether or not, of our own free will, we shall be able to establish our own voluntary blockade against waste and extravagance. It is a problem whose solution requires the greatest intelligence and the greatest degree of unselfish patriotism. It is a problem that will put the spirit of our people to the severest test.

The government is not devoid of means of promoting economy. The war industries board, the food and fuel administrations, the capital issues committee, the department of labor and department of agriculture all move in the same direction of increasing necessary production and decreasing unnecessary consumption.

Full success, however, may be counted upon only if the whole-hearted cooperation of every citizen of the United States can be enlisted.

Thrifty Candidate.

"I understand Blabson was a candidate for office in the recent election."

"Yes. He made a close race, too."

"Why. He received only a few hundred votes."

"True. And he spent only a few hundred dollars."

Where They Had Met.

Judge—Have you ever met the prisoner at the bar?

Witness—Of course I have, your honor.

Judge—Why do you say "of course?"

Witness—I'm a bartender.

Most Likely.

"This jeweler's circular says filmy jewelry must be worn with filmy clothes."

"How about the stage dances?"

"I presume it means when the jewelry is not the principal part of the attire."

PURITY OF JUDICIAL ERMINE

Termed as Rabbit Skin by Redoubtable Advocate Who Was Defending Prisoner at Bodmin Assizes.

At Bodmin assizes once, a barrister, while pleading, was interrupted by the judge:

"Mr. Carter, you are wasting the time of the court."

"Time of the court!" retorted the truculent veteran, glaring fiercely at the bench. "Your lordship means—your lordship's dinner!"

The judge threw up his hands in despair, and Carter continued his harangue in peace.

The same redoubtable advocate was on another occasion defending a man charged with obtaining money under false pretenses.

"False pretenses," said he, with fine scorn. "Why, we all make them every day, barristers and solicitors and judges—the whole lot of us. Talk about the purity of the judicial ermine!" Here he pointed derisively to the learned judge, who sat cowering on the bench. "Why, it's only rabbit skin!"

Shouts of laughter greeted this irreverent statement, which investigation would probably show to be literally true.

HIS CHANGE.



Mrs. Henpeck—This paper says that a man in Italy sold his wife to a blind man for 20 cents. Isn't that awful?

Mr. Henpeck—Yes. Anyone ought to be ashamed to stick a blind man.

Clearer Values.

All life and action upon the snow have an added emphasis and significance. Every expression is understood. Summer has few finer pictures than this winter one of the farmer foddering his cattle from a stack upon the clean snow—the movement, the sharply defined figures, the great green flakes of hay, the long files of patient cows, the advance just arriving and pressing eagerly for the choice morsels—and the bounty and provision it suggests.

A severe artist! No longer the canvases and the pigments, but the marble and the chisel. . . . I see the hills, bulging with great drifts, lift themselves cold and white against the sky, the black lines of fences here and there obliterated by the depth of the snow. Presently a fox barks away up the next mountain, and I imagine I see him sitting there in his furs upon the illuminated surface, and looking down in my direction.—John Burroughs.

A Consoling Thought.

"Dubkins is a great comfort to me." "I don't see how you can say that. He's the most tiresome chump I have ever met."

"That's just it. Although I don't amount to much, it's true, every time I look at Dubkins I feel that I could amount to less."

Help Your Merchant Keep Down Costs

PAY cash if possible or if you do use the convenience of a credit account, settle bills promptly.

Bad accounts help raise prices.

Carry small parcels—delivery charges add to prices. Don't make unnecessary exchanges—the "send it back" habit is waste.

Don't hoard—that only helps make a shortage and raise prices.

Patronize the merchants who advertise, for advertising makes for lower prices by increasing volume and lessening the ratio of overhead expenses.

You will find in the advertising columns of this newspaper the names of merchants who are working with you to keep prices at a reasonable level.



The Program Nowadays Is to Save!

Grape-Nuts food fits in fine with this idea. No fuel required to prepare; no sugar needed; there's no waste; and the use of barley, in its making, conserves wheat.

Grape-Nuts is economical, nourishing and delicious. Try a package.

